

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Loikits Industrial Services

Manufacturers Resource Center

Loikits Industrial Services Utilizes CFO Training to Enhance Profits

Client Profile:

Loikits Industrial Services, headquartered in Coplay, Pennsylvania has grown from a small heating and oil company to a recognized industry leader providing industrial maintenance and equipment service for the petro-chemical, pharmaceutical and specialty process industries. They recently expanded to provide Total Terminal Maintenance by adding an Automatic Gate Operations division and Commercial and Industrial Laundry Repair service. In business since 1939, the company employs 35 people.

Situation:

Loikits wanted to explore training and coaching to identify and prepare dashboard metrics from the budget to improve cost control and profits. The overall goal was to provide the company with enhanced financial analysis and reporting long term. The needed training would enable the internal staff to plan, prepare, deploy, and manage a corporate financial budget as well as to report and analyze monthly performance data against that budget providing ongoing information for decision-making by the company's corporate officers and board members. Loikits requested assistance from the Manufacturers Resource Center (MRC), a NIST MEP network affiliate.

Solution:

MRC's internal financial coach worked side-by-side with the Loikits accountant to provide immediate knowledge of methods, procedures, and analysis to form a corporate budget capable of measuring performance and providing reports to its board members and corporate officers. Deliverable tasks were assigned to measure the progress of the training and the retention of new skills by the accountant. In addition, MRC monitored the dashboards utilized and the success of the tool in providing the financial savings and investment information to the President of the firm. MRC provided the training which helped the accountant develop a solid budget with ties to performance and reporting capabilities for the board and officers of the corporation. The knowledge gained on this project is an ongoing investment in the new expertise for short- and long-term analysis of the company's financial position and possible avenues for targeted financial growth. In addition, the staff learned to identify and utilize Key Profit Drivers (KPDs) to assist management in identifying and improving profits for the firm. With the knowledge gained in the coaching sessions, Loikits gained \$40,000 in cost and investment savings, and enhanced its performance for budget tracking, profits, and reporting capabilities which increased the company's ability to invest in IT, workforce training, and plant capital.

Results:

* Realized \$40,000 in cost savings.

Testimonial:

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"I regularly recommend other business owners and consultants to utilize MRC. MRC was very helpful this year as always."

Dan Loikits, President